

UPDATED INFORMATION

Medi-Cal Bulletin

Updated August 18, 2006

Pharmacy

Changes to the CDHS Emergency Drug Benefit (EDB) for Dual Eligibles

1. **Effective September 15, 2006, the California Department of Health Services (CDHS) will no longer pay for claims to the Emergency Drug Benefit (EDB) with dates of service prior to May 17, 2006.**

Background:

On April 14, 2006, CDHS announced that the Emergency Drug Benefit for dual eligibles that began on January 12, 2006, was extended through 11:59 p.m., Tuesday, May 16, 2006. The April 2006, Medi-Cal *Updated Information* bulletin provided instructions on how and when to submit claims for dually eligible Medicare and Medi-Cal recipients experiencing difficulties with Medicare Part D or Medicare Part D plans. Providers were originally instructed to submit claims to Medi-Cal using the Code 1 restriction indicator to certify that specific conditions had been met. CDHS has determined that sufficient time has elapsed to allow claims with dates of service of January 12, 2006 to May 16, 2006 to be fully adjudicated; therefore, beginning September 15, 2006, no EDB claims will be paid for dates of service prior to May 17, 2006.

To ensure that people who are dually eligible for Medicare and Medi-Cal would continue to get needed medications beyond May 16, 2006, the California Legislature enacted and Governor Arnold Schwarzenegger signed Assembly Bill (AB) 813. AB 813 allowed CDHS, for dates of service from May 17, 2006 through January 31, 2007, to continue covering the cost of medications for dual eligibles that are unable to obtain their medications from the Medicare Part D program, but required that CDHS implement prepayment utilization controls such as a prior authorization process and authorized CDHS to establish post-payment audits to review claims paid under the EDB.

2. **Effective September 1, 2006, when submitting an EDB *Treatment Authorization Request* (TAR) to CDHS, based on the criterion “Prior Authorization/Exceptions Process Problems”, a pharmacy must show proof of the submission of the request by the beneficiary's prescribing physician to the beneficiary's Medicare drug plan and when the Medicare drug plan responds.**

Background:

AB 813 mandates this change in process, effective September 1, 2006. An *Updated Information* bulletin dated **May 16, 2006** provided the guidelines and processes that a pharmacy provider must follow to submit a prior authorization request and claim to the EDB for payment.

Note: A [revised version](#) of the May 16, 2006 *Updated Information* bulletin (dated August 18, 2006) is available on the Medi-Cal Web site (www.medi-cal.ca.gov).

Reminder:

Medi-Cal is not authorized to pay Medicare Part D copayments for Medicare Part D covered drugs or medical supplies. Providers must not submit claims to Medi-Cal seeking reimbursement for Medicare Part D copayments. Providers who have submitted claims seeking reimbursement for recipient copayment amounts (\$1 to \$5) must reverse those claims immediately.